



Consumer Electronics Association

2500 Wilson Blvd.
Arlington, VA
22201-3834 USA
(866) 858-1555 toll free
(703) 907-7600 main
(703) 907-7601 fax
www.CE.org

December 17, 2004

VIA ECFS

Ms. Marlene H. Dortch
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, D.C. 20554

Re: *Ex Parte* Communications in CS Docket 97-80

Dear Ms. Dortch:

This is to notify you that on December 16, 2004, Gary Shapiro, President and CEO, Michael Petricone, Vice President, Technology Policy, and Brian Markwalter, Vice President, Technology, all of the Consumer Electronics Association (CEA), met with Chairman Michael K. Powell and Jonathan Cody, Legal Advisor to Chairman Powell.

During the meeting, we urged the Commission to maintain the requirement for all digital cable products -- including cable operator supplied set top box products -- to use separable security (*i.e.*, CableCARDSTM) and to maintain the July 1, 2006 deadline for cable operators' compliance as currently written in 47 C.F.R. Section 76.1204. The discussion reflected arguments that CEA and its members have made in oral and written statements in the above-referenced docket.

To ensure the public benefits of a competitive marketplace, cable operators and their vendors must produce separable security technology that meets the demanding expectations of retail consumers. The only way to bring about this result is to ensure that the devices supplied by cable operators rely on the **same** CableCARDS for security that must be used by equipment supplied through competitive retail outlets.

As digital cable ready products come to the retail market, first as televisions and then as DVRs and other popular items, the DTV transition cannot bear the risk that their security interface will be unreliable or poorly supported, or that its acquisition costs will be much higher than they need be.

Innovation and consumer choice hang in the balance. The only tangible result of more than a decade of cable compatibility negotiations and regulation is that one-way televisions are at a significant disadvantage when compared to cable operators' own leased set-top boxes.

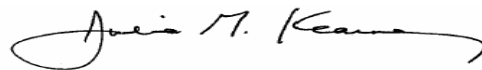
Truly innovative products that bridge content from multiple sources simply are locked out of the cable market until the companies that build these products can rely on effective, up-to-date CableCARDS from cable operators.

In simpler terms, an innovative company like TiVo, that has been providing dual-tuner products to the satellite industry for four years, still cannot produce even this four-year-old technology for the cable industry. CableCARD technology and reliance simply have not progressed to a point that gives companies the assurance they need to continue developing new, innovative products. Without these products, consumer choice is at serious risk.

Only full-scale production to service MSO devices, will achieve the combination of priority, investment, and volume necessary to lower acquisition costs, achieve reliability, and generate confidence for competitive entrants and consumers.

This letter is being provided to your office in accordance with Section 1.1206 of the Federal Communications Commission rules. A copy of this letter has been delivered by e-mail to the meeting participants.

Very truly yours,

A handwritten signature in black ink, appearing to read "Julie M. Kearney", with a long, sweeping horizontal line extending to the right.

Julie M. Kearney
Senior Director, Regulatory Affairs

cc: The Honorable Michael K. Powell
Jonathan Cody